RAISING CAPITAL
FOR TECH STARTUPS

5 KEYS TO UNLOCKING THE DEAL YOU WANT

lighter capital

RAISING CAPITAL FOR TECH STARTUPS: 5 KEYS TO UNLOCKING THE DEAL YOU WANT

Fundraising before you are completely ready will slow you down, add costs, and, in some cases, damage your reputation.

Are you an entrepreneur thinking about how to fund your growing technology startup? Have you bootstrapped your way to a minimum viable product and can showcase key features, growth metrics and technical innovations? Or perhaps you've built your business historically on services, and are looking to launch an application that you hope will be a huge part of your business in the years to come. Either way, you're out there selling and bringing in new customers and revenue, and your customers love you. Now you just need some additional funds to gain further traction and take the business to the "next level".

So you've come a long way on your own, but you might not be able to leverage that into more success if you can't convince investors you have a business worth funding.

Capital won't just fall into your lap. This is especially true if you're thinking of going after equity funding — VCs or angels — which is a highly competitive and intense undertaking. Unless you're Elon Musk, it's hard to raise equity money — less than 1% of startups get VC financing, and it frequently takes more than six months of full-time work to attract investors and close a deal. Raising debt may be somewhat easier if your business is in good shape but you still need to make sure you are well-prepared.

Fundraising before you are completely ready will slow you down, add costs, and, in some cases, damage your reputation. It may not only compromise your initial chances of success but also your ability to raise funds in the future. Just like you've had a laser-sharp focus on making your company successful in the marketplace, you will improve your chances if you apply the same focus to preparing for and attracting investors.

Whether you are seeking equity or debt funding, this guide provides an overview of the most important things you need to prepare, consider and be on top of in order to have the best chance of landing the deal you want.

5 KEYS TO UNLOCKING THE DEAL YOU WANT

1. Mentally prepare for fundraising

2. Know the metrics most important to investors

3. Create sound financial projections and milestones

4. Provide the documents investors require

5. Tell an irresistible story and make your company shine

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1. MENTALLY PREPARE FOR FUNDRAISING

Next to deciding to start a business of your own, how you will fund its growth might be the biggest financial decision you will make. The type of funding you choose - or don't choose - will fundamentally impact the trajectory of your business and, ultimately, the value you extract from it.

Whichever way you go, the process of raising capital will be full of ups and downs. It will most likely take way more energy, time and resources than you anticipated. With that in mind, here a few pointers to help you prepare for the fundraising journey that lies ahead.

Learn about all your funding options

Venture capital, angels, super angels, angel networks, crowdfunding, corporate venture, revenue-based financing, tech banks, peer-to-peer lending. There are more sources of capital and funding options available to technology entrepreneurs than ever before, which is great news. But every source has its own complexities and suitability to different funding purposes, company types and growth stages.

Sometimes entrepreneurs become fixated on raising a particular type of capital because it is readily available, is what they know, or is seen as a golden stamp of approval or success. Serious entrepreneurs know, however, that raising capital is not the end of anything – it's the beginning of the real work to grow their business.

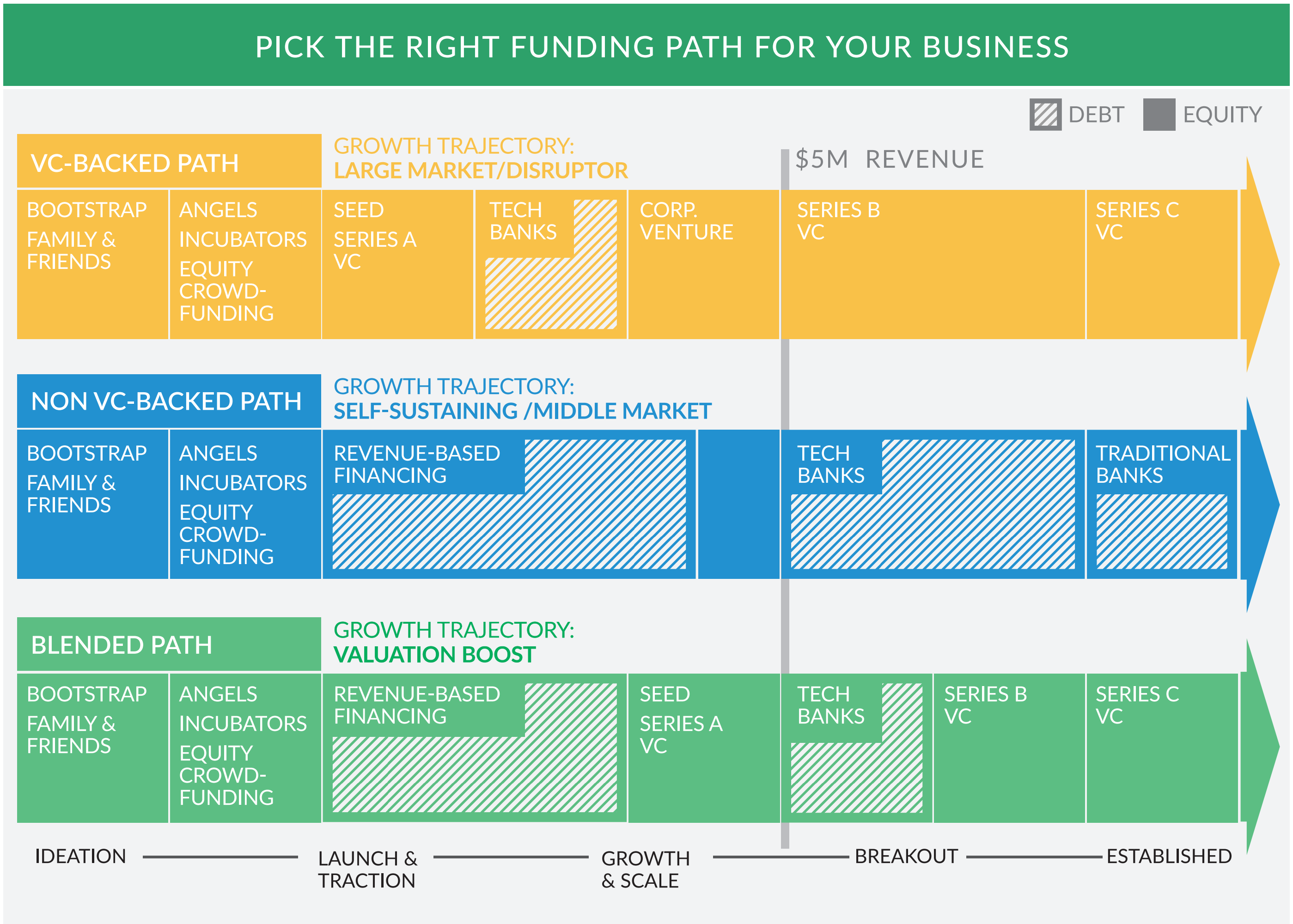
It pays to do your research and make sure you are fully aware of the pros, cons, and consequences of heading down a particular path. So before you go asking for capital, make sure you do your homework.

THINGS TO KEEP IN MIND

- **Talk to as many of the different sources of capital as you can.**
  Position these conversations as opportunities to learn. Don't start pitching before you're ready.
- **Seek out entrepreneurs that have used a funding option.**
  Try and learn from them the good, the bad and the ugly. Many investors will list their portfolio companies on their websites — try reaching out to one or two of them or search your network for someone to introduce you.
- **Bring someone into the process who knows you, your business and raising capital.**
  Someone whom you trust to give you the brutal truth. Lean on your business lawyer or a professional CFO, or scour your network for those with the right background if you don't have professional funding advice to rely on.
- **Follow investment industry experts and news.**
  Keep abreast of the investing cycle and what's hot and what's not. Just make sure not to get caught up in the hype.

As you work through this whitepaper and start to dive into your financials, metrics, business plan and projections, it will become more apparent how much capital you need and which sources of capital are suitable for your business.

To get you started, the table below highlights the three different funding paths most startups take.



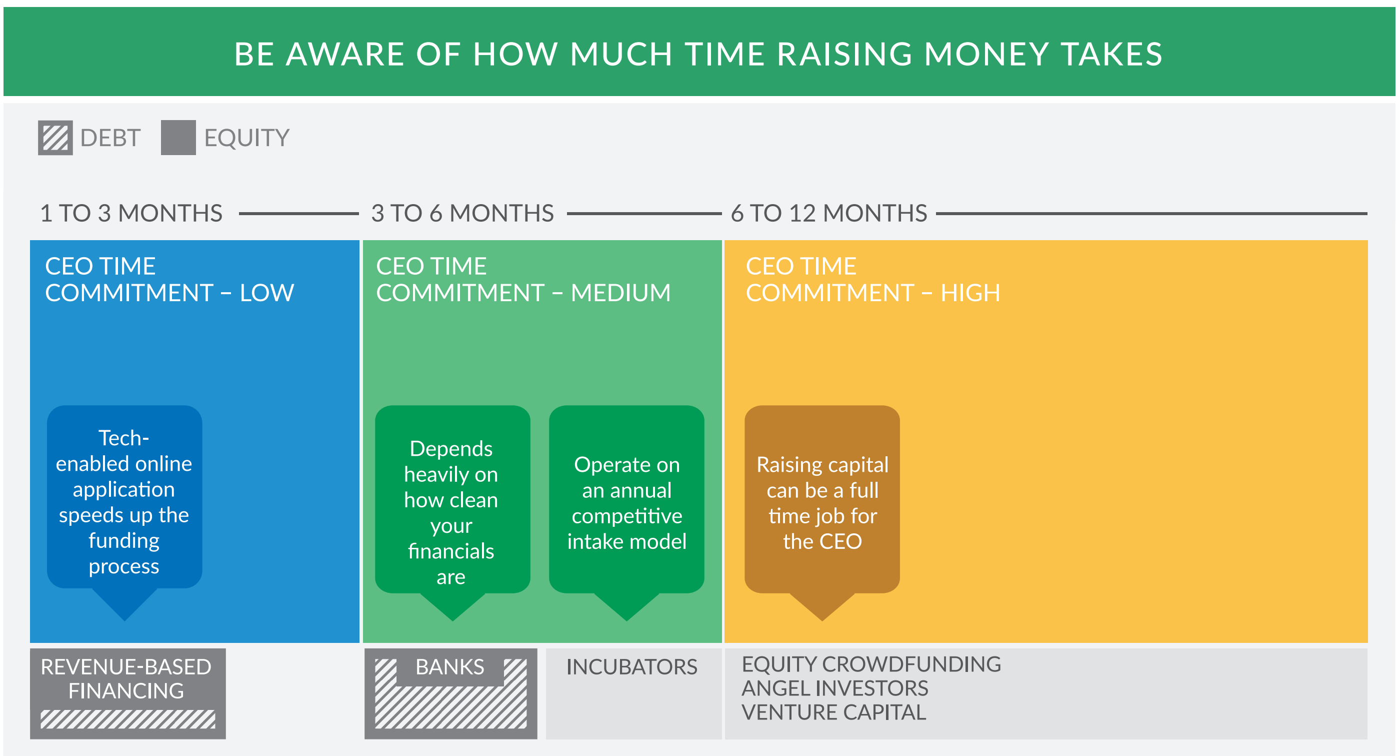
This is from our guide How to Choose the Best Funding Path for Your Startup, which is a great place to start learning more about various funding options.

Prepare for the time it will take to raise funds

A key element of a fundraising plan is a realistic timeline. Many entrepreneurs underestimate the amount of preparation, time, and resources that go into the process. Doing your research, creating solid financial projections, organizing your financial data and metrics, making connections, moving through the approval process and finalizing agreements is all guaranteed to take more time – and more of you – than you anticipate.

At Lighter Capital we have seen companies go through literally hundreds of equity and bank financings, no one is ever surprised at how fast an equity round comes together, or how quickly a bank funds a loan. It always takes longer, and often months longer, than entrepreneurs expect. If you think you're different, think again – it will take a long time.

If you don't factor this time into your planning, and you don't have a plan for how the company will progress while you're focused on fundraising, you risk letting your business languish while you shift your focus to securing funding.



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You don't want your company to languish and need lots of attention to get back to where it was before you started fundraising.

Mentally prepare the team

Whether you are raising equity or debt, the fact is you will be distracted and you need to prepare your core team to handle duties in your "absence". The time to address this is before you begin fundraising. No matter how much you try to stay involved in your company's day-to-day management during your fundraising efforts, it would be foolhardy to rely solely on your personal leadership to keep sales figures up and your product development on time.

Ideally you can hire or train someone on your management team to take over some major responsibilities, but frequently this is impossible when you also need to raise cash to hire those very people.

SO WHAT CAN YOU DO?

- **Make sure your key people know when you'll be distracted by fundraising.**
- **Create plans they can focus on without your help.**
- **Make sure they are prepared to step up and fill the gap.**
- **Identify duties you can easily delegate.**
- **Hire someone with skills in a specific area, such as sales, bookkeeping or product planning.**

As soon as you close your financing, you will want to hit your projections and build a good relationship with your new investors. You don't want your company to languish and need lots of attention to get back to where it was before you hit the fundraising trail!

Many entrepreneurs end up realizing no value from their startup, when the relationship between investors and entrepreneurs breaks down.

A word about cultural fit

We can't stress enough how important it is to choose your source of financing wisely. Your choice will fundamentally impact the trajectory of your business and the ultimate value you extract from it. So as you think about what capital sources make sense for you, don't underestimate the importance of finding an investor you can actually work — and live — with.

This is less important if you choose debt financing, because, generally speaking, lenders are not trying to influence or exercise control over your day-to-day operations and decision-making. But it is still important to make sure they are the kind of operator you want to do business with and that they treat their customers fairly.

At Lighter Capital, we go much further than traditional banks. We like to build solid relationships with our entrepreneurs and understand deeply how their business works. This is natural, since the performance of the company directly determines our investment return, much like equity. Of course we are also interested in the company's metrics, financials, and potential. We are happy to help where we can and will often work with our portfolio companies on their funding or business strategy — but only as much or as little as they request.

If you secure an equity investment, you will work very closely with your investors for a very long time, since they are a partner in the business. You need to have strong relationships and clear communication with your investors. So if you are offered an investment on great terms, but you don't have a strong personal relationship with the investor, you should think twice about accepting the investment.

Many businesses fail to meet their potential, and many entrepreneurs end up realizing no value from their startup, when the relationship between investors and entrepreneurs breaks down. If you're constantly clashing over the direction of the company, how to do reporting, or what the role of the Board of Investors should be, you'll be expending energy that could be used more effectively to run and grow your company. So before you commit to a deal, make sure you know what it will be like to work with the investors. Talk to other entrepreneurs who've worked with them and find out what it's like to partner with them — in good times and bad.

Do the legwork to build a network

When you're raising capital, it helps to have a strong network. Being an active participant in your local or industry community is a great way to build your credibility and profile. Investors will be more excited to work with someone who is highly regarded and passionate enough about what they do to be engaged and contributing to their communities. It's never too early to start building networks where you live and in your industry.

TIPS TO GET YOU STARTED

- **LINKEDIN IS YOUR FRIEND.**
  Do an inventory of everyone you know and add them to your social networks. Then browse the lists of people you may know to see who else you can add and make a list of 2nd degree connections you may want to connect with.

- **PLUG INTO YOUR LOCAL COMMUNITY.**
  Make time to get out and make face-to-face contacts. Attend local meet-ups to connect with other entrepreneurs and industry insiders.

- **HELP PEOPLE IN YOUR NETWORK WHENEVER YOU CAN.**
  Offer to be a mentor or volunteer at a local university. Teach workshops and seminars in your community related to your area of expertise.

- **LEVERAGE SOCIAL MEDIA.**
  Establish a strong social media presence. Create professional profiles that accurately portray you and your company. Push out valuable content that people want to share and participate in relevant conversations.

- **GET TO KNOW YOUR LOCAL BANKERS.**
  A bank loan is likely to be the cheapest form of capital you can get. While banks are more likely to invest in non-tech firms than in tech firms, you have a shot at getting a small amount of working capital. So start establishing a relationship with your local bankers, open an account and invite them for a cup of coffee to initiate the relationship. They are more likely to invest in an account holder who they know as a member of their community.

The value of a strong network cannot be underestimated. Having an army of influential and well-connected people at your back when you start your fundraising journey will exponentially improve your chance of success.

2. KNOW THE METRICS MOST IMPORTANT TO INVESTORS

As part of the due diligence process, investors will crunch the numbers to evaluate if your company is a good investment with good growth potential. But before you get that far, most will first want to see preliminary data that show your business is on an upward trajectory. You should be prepared to explain your company's progress, from historical revenue and other traction metrics (with hard data to back it up) to future financial projections with well-reasoned explanations for your key assumptions (we will talk more about those next).

If you are seeking traditional debt financing, your historical data will be the most important. In contrast, equity investors will primarily look at metrics that indicate fast growth and market potential to separate the wheat from the chaff. If you can't tell your growth story based on metrics, or if the numbers don't add up, you will quickly lose credibility because you don't know your business as well as you should.

FINANCIAL METRICS

	TRADITIONAL DEBT INVESTORS	LIGHTER CAPITAL'S REVENUE-BASED FINANCING	EQUITY INVESTORS
REVENUE	Consistent revenue year-over-year, flat is fine for traditional banks	Growing typically between 20-200% year-over-year	Growing by 100%+ year-over-year
MRR	Not applicable. MRR Line of Credit from tech banks may be available if your annual revenue is over $5M	Growing through new customers or existing customers by at least 20% per year	Growing at 100%+ per year and showing strong traction with existing and new customers
GROSS MARGIN	Positive gross margins	Gross margins of at least 50%	High margins are preferred, but scalability to sustain hyper growth is more important.
NET INCOME	Positive net income	A path to profitability — business can have negative net income now but needs to have a way to reach breakeven	Net income loss is fine but generally like to look at the 40% rule
OUTSTANDING DEBT	No other outstanding debt	Institutional banks and convertible debt are okay	Prefer no other outstanding debt

GROWTH METRICS

	TRADITIONAL DEBT INVESTORS	LIGHTER CAPITAL'S REVENUE-BASED FINANCING	EQUITY INVESTORS
CUSTOMERS	A strong and diversified customer base is important. Need to see consistent payment from customers	Require more than 5 customers with growth year-over-year	Customer growth is is critical, since product-market fit is a major stepping stone equity investors want to see
CHURN	Not applicable	Less than 20% for sales to large enterprises, and 20-40% or sales to SMBs	Less than 20% for sales to large enterprises, and 20-40% for sales to SMBs
CAC RATIO	Not applicable	Depends on the LTV of your customers If they stay with you for 3 years, 0.5 is fine. If they are only 1 year customers, you need to be at the minimum of 1.	Love to see 1 or better
CUSTOMER LIFETIME VALUE	Not applicable	Higher than the cost to acquire	Depends on the investment horizon of the investor
PRODUCT MARKET FIT	Not applicable	Need to see sustainability and adoption of product in the specific markets	Large definable market and clear differentiated space is required

3. CREATE SOUND FINANCIAL PROJECTIONS AND MILESTONES

All investors want to know where your business is headed and how their investment will help you get there. You should present attractive yet realistic financial projections when raising capital. The important thing is to approach it like you are telling a growth story about your business and make sure you can back up that story with data and analysis drawn from your financial statements. Build your projections based on the following principles, and you will be on your way to telling a solid financial story.

Use your historical data as a baseline

Typically, investors would like to see 2-3 years of historical financials, if available, to ground them on where your business stands today. If your company is younger than that, use everything you've got. Historical financials are important because they convey what you have accomplished thus far and set a foundation for the scale and efficiencies you will reach in the future. Additionally, if you have a multi-year track record, historical financials can illustrate how you manage your business and prior investments.

With historical data in hand, you can begin telling your growth story on the P&L with revenue. By building up from your most basic elements — units sold and pricing by channel — you can derive gross revenues. A deep understanding of unit economics is key to be able to plan for the future.

Show all associated expenses required to achieve projected revenue growth

Is your gross margin declining over time? Are your incremental expenses decreasing with scale? Is your net margin increasing to align with mature comparable companies in your industry? If your revenue is projected to triple year-over-year while you've only doubled your fixed costs, you can really start demonstrating a path to profitability. Top line growth is always attractive but without gaining efficiencies down the P&L, a business cannot be sustainable over the long run.

Connect the dots

After you've set the stage by creating an attractive growth story on your P&L, the next step is to connect the dots through your balance sheet by first determining what investments you need to make to achieve your growth targets. Should you:

- **Expand your sales team?**
- **Grow your back office staff?**
- **Invest in additional product development?**
- **Hire additional key executives?**
- **Pay for a significant marketing push?**
- **Invest in infrastructure, fixed assets or significant amounts of inventory?**
- **Raise additional equity?**
- **Try to obtain debt financing?**
- **Raise equity and debt to maintain a strong balance sheet?**

Answering these questions will help you determine the investments that need to be made to fuel your growth and should be a key part of your projections so an investor understands the commitment needed to catalyze growth. Show a judicial cash management approach — as they say, "treat every dollar as if it were your last". Do this by showing a responsible cash burn and controlled spending in your projections.

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Answering these questions will help you determine the investments that need to be made to fuel your growth and guide you towards the type of capital you need to raise.

Be aggressive but realistic

It's important to remember that all investors are going to discount your projections, so be aggressive with your numbers. Of course, being too aggressive could potentially jeopardize your credibility with investors - so a combination of aggression and reality is the way to go. Show that your business has significant potential to scale and generate attractive profits, but do so in a manner grounded in realistic fundamentals.

Start with a realistic base case and include an upside case that shows the potential if all the stars align. Make the projections achievable for both your company and prospective investors – all parties want to be aligned and it pays off to show new investment capital leading to scalability across the business in a relatively short period of time. Showing numbers that have a reasonable likelihood of being achieved in a reasonable scenario can be a good story to tell relative to only showing a story that shoots for the moon with numbers that could never be realistically reached.

Create a realistic baseline by diligently gathering your historical information. Attention to detail and keeping clean books from day one gives investors confidence in your future prospects. Your monthly projections should provide the granularity needed to see how you are spending investments and converting dollars into profits. If it makes sense – don't forget to adjust for seasonality.

Do your homework and show your expertise

Use your industry experience to show that you are an expert in your business. By demonstrating a clear strategy around unit pricing, sales team structure, and operating efficiencies you will demonstrate your deep knowledge in the space.

Do your market research so you have comparables on metrics – investors will often have evaluated peer companies in your industry. So if, for example, the average gross margins of a mature company are 70% and you're showing 80% margins in year two, questions may arise.

Iterate until you get it right

Creating financial projections is generally a bottom-up exercise, so know that it might take a few iterations to create the story you want to tell. Start from the basic components of your business and build up to generate top line projections. If the story doesn't tie to the one in your head, go back and adjust the individual pieces to create the path you seek to achieve.

In the process, you will see how different investments and business initiatives pay off or don't pay off — which is exactly what an investor will ask. Precise record keeping, granular projections based on unit economics, and thoughtful analysis will help you tremendously in your fundraising effort, as well as make you a more savvy and informed entrepreneur capable of operating a sustainable business over the long term.

Create solid milestones

As part of creating sound financial projections you will need to map out the major milestones you are expecting to hit or achieve with your new investment capital - such as hiring new employees, developing a new product or feature, increasing sales by a certain amount, or capturing a certain percentage of your market share.

Investors require milestones that

- Have a discreet outcome and deadline, such as "Develop new app by month 6," or "Hire a VP of Marketing by month 9," or "Double sales by month 12."
- Are achievable and will affect the company's bottom line.
- Significantly increase a business's value and put you in a good position to raise the next round of funding at favorable terms.

4. PROVIDE THE DOCUMENTS INVESTORS WILL REQUIRE

So now you know what metrics to focus on and how to create solid financials projections, you'll need the right materials to show you're on top of your game. Generally speaking traditional debt investors will focus more heavily on the historical financials and data while equity providers will require more detail around your idea and its future potential. At Lighter Capital, we fall somewhere in the middle – we definitely want to see that you have strong historical financials, solid growth projections and a clear use for the funds but we are less concerned about your strategy to rule the world. Here's a document checklist to get you started:

TRADITIONAL DEBT INVESTORS

- Historic financials, at the minimum quarterly financials for the last 12 months.
- Any institutional lending source will require that you produce monthly financials, so getting this ready will serve you down the line.
- Customer contracts for top customers
- A/R Aging Report
- Tax Returns
- Legal documents
- Any schedule of any personal assets that you are willing to use for the guarantee

LIGHTER CAPITAL'S REVENUE-BASED FINANCING

- Historical financials (24 months of monthlies) including P&L, balance sheet, and a cash flow statement, if you are accrual
- Growth projections, along with the financial models used to create those projections.
- Top 10 customer information and a standard contract
- Product overview
- Amount of funds needed and use clearly defined

EQUITY INVESTORS

- An investor pitch email containing:
    - A three-sentence description of the company.
    - Five bullet points with your best five growth metrics that show great traction, great customers, great existing investors, or whatever it is that's going to make your company look good
- An investor deck — not too long, but it should give a decent idea of the business keep it under 15 slides (you can always have an appendix if you think something is really needed) The current standard of excellence is to hire an outside design firm that specializes in designing pitch decks.
- Backup informational slides with one slide for each major question you think you'll get.
- A good product demo — the most compelling way to communicate what you are trying to achieve.
- Financial projections — a full model is best
- Legal documents. Retain a great lawyer to ensure you have your legal house in order.

Avoid common pitfalls

Financial sloppiness is a sure-fire way to turn off investors. Here's some basic things to cover off on so you don't get tripped up:

- **Don't track your financials in Excel.**
  Entering your numbers in a spreadsheet raises questions about their accuracy. At the very least, you should be using Quickbooks or Peachtree or another service that's synched with your business accounts.

- **Understand what your numbers mean.**
  If you present your financials to investors with the wrong conclusions, they will doubt how business savvy you are.

- **Make sure your financials match your investment roadmap.**
  As we discussed earlier, make sure you can connect the dots. When you're approaching a debt lender for a loan, for example, make sure you know what your burn is. If you seek a $160K loan and you're burning through $40K a month, you will use up the investment in 4 months, which is not appealing to most debt lenders. If your financials show a high burn rate, it will limit your financing options.

- **Have a professional look over your financials.**
  The easiest way to determine if your financials are ready to be seen by an outside financing source is to have someone with an accounting background take a look at them. Ask your tax accountant to review them. They'll let you know if you are doing anything blatantly wrong. If you run into bigger issues, you might want to consider getting outside help from a firm that specializes in helping startups with all aspects of their financials.

- **No unsigned contracts.**
  It may seem obvious, but we sometimes see contracts that have not been signed by both parties.

- **Make sure your references are actually good.**
  You may think your customers are delighted with your product, but before your use them as a reference, it's best to check that they will wholeheartedly endorse you in the way it matters—they should not hesitate about whether or not they'll renew their subscription when asked by a lender or investor.

- **Sweat the details.**
  Finally, make sure that you take care of the little details that matter, like making sure your company is in good standing and filing your tax returns.

5. TELL AN IRRESISTIBLE STORY AND MAKE YOUR COMPANY SHINE

Your initial encounters with an investor or lender may come in many forms. It could be a formal pitch meeting or a tweet, a phone call, a text message, a webinar, an email, or an online application form. Whatever the format, your should be able to explain:

- **The core problem your product is solving.**
- **The benefits for your customers.**
- **How investing in your company will benefit the investor.**

Once your investors are intrigued, they will grill you for details, at which time you can go into depth with all the information we covered earlier. So check off the following to make sure you don't lose them at the first hurdle.

TELLING A GREAT STORY

To tell a story well, you need to be simple, passionate, articulate and have real examples. So ask yourself the following as you are crafting your tale.

- **Does your mother understand what you do?**
Investors don't have the time to research your idea, so you need to succinctly explain the concept, the market, and the plan of attack. Talk to a family member and explain what you do. You know you've hit it when they don't zone out and convincingly answer "Oh, I get it!"

- **Can you articulate your competitive edge?**
Where do you sit within the marketplace? How is your product or service different from others and why? Present the lay of the land, demo your product, tell customer stories, and focus on how you are disrupting your market.

- **Still got your passion?**
Take a moment to think about why you started the business and how you feel about it now that you're a bit further down the road. If you've thought through all the reasons why you are still in the game, you'll be much more convincing when you talk about the future success of your company.

- **Is this real?**
Having customer anecdotes and stories at your fingertips is the best way to get your message across. Real-life stories make your pitch much more convincing.

Present your company in the best light possible

Just because you're a small startup doesn't mean you can't look as professional as more established companies in your industry on the web. Here are a few things you can easily do digitally to look like the real deal.

Have a great website that tells your story well

1. Don't reinvent the wheel

- Research your competitors' sites and improve on every single page.
- Make sure your point of difference is clear.
- Don't waste time and money on the slickest designs and bells and whistles for your site.

2. Include keywords

- Use the language investors and customers use when they search for information related to your industry.
- Look in your site analytics suite for the search terms visitors use on your site.
- Research keyword ideas in **Google's Keyword Planner.**

3. Your contact info is gold

- Make sure your contact information is the first thing visitors see—they can be gone in seconds.
- Include a phone number (a 1-800 number if appropriate), an email address, and a contact form.

4. Make your site mobile-friendly

- Test how well your site displays on a variety of devices.
- Make sure you pass **Google's mobile test.**

Manage your investor-facing profiles

Create multiple online matchmaking profiles—and keep them up-to-date. At Lighter Capital, we often look at applicant profiles on Crunchbase and AngelList. It gives us a quick idea of their capital raising history, and the investors that have been involved. In order to connect with investors, have a presence on as many online platforms as you can, and stick with the ones that are most productive to you.

LINKEDIN IS YOUR OTHER WEBSITE

Potential investors will check you out on LinkedIn before they get to your site, so take your profiles seriously.

- Treat your LinkedIn profile as a resume—for key team members and for your company. Investors not only invest in products, they invest in teams.
- Include a summary on your profile of what your company does. In addition to your job description, include the 30-second elevator speech for your company, along with a link to the company's website. And make sure you have a professional looking picture.
- Create a company page on LinkedIn. Reach a wider audience for your blog posts by sharing them on your company page.
- Show an interest in the investors you are courting. Some investors won't even consider you if you don't check out their LinkedIn profile.

Depending on your industry and audience, there may well be other social networks where your target audience hangs out. The key to managing social media successfully is to be consistent. So prioritize and focus.

We hope you have found this guide useful to getting you started on your fundraising journey! At Lighter Capital, we know how challenging it can be for entrepreneurs to run their business and try to find the growth capital they need to make it more successful.

CHECK OUT OUR OTHER RESOURCES

RESOURCES

- How to Choose the Best Funding Path for Your Startup.
- Visit our blog to stay in touch!

CUSTOMER BONUSES

- $15,000 in free AWS credits for our customers through the AWS Activate Program
- $60,000 in Azure credits from Microsoft

JOIN OUR REFERRAL PROGRAM

- Do you work with or advise technology companies? Join our referral program here.

CALCULATOR

- **How much growth funding could you get?**
  Answer five simple questions and let our funding calculator tell you how much growth capital you might qualify for.

Talk to us

At Lighter Capital, we love to talk to entrepreneurs about how we can help you grow. Whether you need capital raising advice, have a question about a Lighter Capital RevenueLoan®, or are ready to apply for funding, feel free to contact us at anytime.

About Lighter Capital

Lighter Capital is 100% focused on providing early-stage SaaS, software and technology services companies with the long-term capital you need to get your business to the next level.

Want to know how much growth capital you may qualify for? Try our Funding Calculator and find out by answering five simple questions.

Get Started: lightercapital.com/how-it-works/see-if-you-qualify

Apply Now: lightercapital.com/apply

Learn more about Lighter Capital's RevenueLoans®

For tech companies only

Software, SaaS, tech services, digital media or similar online/digital businesses.

Capital for growth

We fund product development, sales and marketing, new hires, and other growth strategies.

Funds when you need it

You don't need to borrow it all up front. We'll provide further loans to you as you grow.

Retain control

We do not take equity, require a board seat or a say in how you run your business.

How much can you borrow?

We will lend up to ⅓ of a company's annualized revenue run rate. We lend $50,000 to $2 million per company.

What you need to qualify

Revenue: $15,000 per month
Gross margins: at least 50%
Profitability: not required

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